

Remarks

Status of the Claims

Claims 1-28 and 31-43 are pending in the application. All claims stand rejected. By this paper, claims 18, 21-23, and 26 are amended. Reconsideration of all pending claims herein is respectfully requested.

Claim Rejections - 35 U.S.C. §102

Claims 1-28 and 31-43 were rejected under 35 U.S.C. §102 as being anticipated by McCoy (U.S. Pub No.: 2001/0037311). The rejection of each pending claim is traversed for the reasons set forth below.

It is well established that a claim is only anticipated under 35 U.S.C. § 102(b) if "each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." MPEP §2131, *citing Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628 at 631 (Fed. Cir. 1987); emphasis added. "The identical invention must be shown in as complete detail as is contained in the . . . claim." MPEP §2131, *citing Richardson v. Suzuki Motor Co.*, 868 F.2d 1226 at 1236 (Fed. Cir. 1989); emphasis added.

For at least the following reasons, McCoy fails to teach each and every element set forth in any of the pending claims.

First, McCoy fails to teach the limitation recited in claim 1 of "an account holder creating and associating a plurality of tokens with a financial account by recording the plurality of tokens ***in an electronic token log***...." McCoy's token is a payment "coin" "which is preferably implemented as a data string containing (at a minimum) the

following elements: a large random number 90, the denomination of the coin 92, and the currency ID 94 of the coin.” McCoy, at ¶ [0067]. Therefore, McCoy’s token contains the actual monetary value (see FIG. 6), and does not need to be stored in a token log as recited in the pending independent claims (e.g. claims 1, 3, 5, 31, 40, 41, 42).

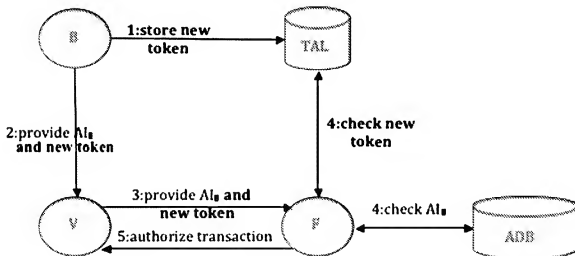
Second, since McCoy’s “coin” token contains a pre-authorized monetary value, the client agent (i.e. buyer) presents the token to the broker agent (i.e. vendor) (Fig. 5B item 80) and the broker agent can verify the token directly (Fig. 5B item 81) without the need to contact the payment agent for authorization. This contrasts sharply with the claimed limitations, which require (e.g., claim 1 as previously amended) that the “vendor is to provide the token, the indication of the account, and information about the transaction to the computing device of the authorizing institution, which authorizing institution’s computing device provides the vendor with transaction authorization based on the token being found to exist in the token log.” Similar limitations are also recited in independent claims 3, 5, and 31.

Third, independent claim 1 recites, among other things, the limitation of “an account holder creating and associating a plurality of tokens with a financial account by recording the plurality of tokens in an electronic token log, which electronic token log is accessible by a computing device of an institution that is responsible for authorizing one or more transactions involving the account....” Similar limitations are also found in independent claims 3, 5, 31, 40, 41, and 42. McCoy’s teaches no such “electronic token log.” The only place McCoy teaches tokens being recorded is in a “spent coin” database, which database is only accessible by the authorizing institution (payment

agent), and not accessible by the account holder. McCoy, at ¶ [0067] and Fig. 5B item 86.

In addition, the transaction authorization process taught by McCoy contrasts with what is recited in the claimed invention. The October 8, 2008, response to the Office Action dated July 2, 2008, contained the following graphic representation of a dual-channel authorization request system.

Figure A: Dual-Channel Authorization Request System (corresponds to FIG. 1 and FIG. 2 of the present disclosure)



The entities involved in Figure A are as follows:

- Entity B (buyer / account holder) – an entity desiring to facilitate a transaction by instigating the authorization of the transaction.
- Entity F (financial institution with the buyer's financial account) – an entity responsible for authorizing (or rejecting) the transaction.

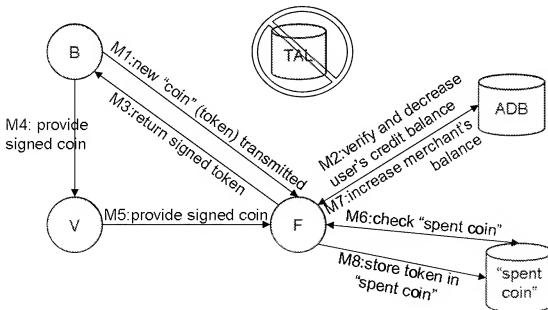
- Entity V (vendor the buyer is purchasing from) – an entity who is the recipient of the transaction and the transaction authorization.

As illustrated above, the authorization process includes:

- Step 1: Buyer creates and stores a new token in a Token Log (TAL) accessible by the Financial institution.
- Step 2: Buyer provides the token and account information to the Vendor.
- Step 3: Vendor provides the token and the account information to the Financial institution in order to obtain transaction authorization.
- Step 4: Financial institution checks TAL as well as account database (ADB).
- Step 5: Financial institution provides Vendor with authorization, as appropriate.

In contrast to the illustration above, and the limitations of the pending claims, the following is a graphic representation of the transaction authorization process taught by McCoy, specifically taught in [0067] and FIGS. 5A and 5B.

Figure B: Transaction Authorization process taught by McCoy



As illustrated in Figure B, McCoy describes the following steps.

- Step 1: Buyer ("client agent") creates a new token but does not store it in a Token Log (TAL) accessible by the Financial institution. McCoy's invention has no such Token Log. Instead, Buyer [0067] "may retain the coin until ready to make a payment." Accordingly, McCoy fails to teach the limitation recited in independent claims 1, 3, 31, 40, 41, and 42 that the token is recorded "in a token log".
- Step 2: Buyer provides (step M4) token to the Vendor ("broker agent") but does not provide account information (since the token itself has monetary value) to the Vendor. Accordingly, McCoy fails to teach the limitation recited in independent claims 1, 3, 5, 31, and 42 that require "the account holder initiating a transaction involving the financial account by providing one of the tokens previously recorded in the electronic token log **and an indication of the account** to a vendor".
- Step 3: Vendor provides (step M5) token (but not account information) to the Financial institution ("payment agent") and the Vendor does not wait for transaction authorization from the financial institution. Accordingly, McCoy fails to teach the limitation recited in independent claims 1, 3, 5, 31, 40, and 42 that require that "the vendor is to provide the token, **the indication of the account**, and information about the transaction to the computing device of the authorizing institution, which authorizing institution's computing device provides the vendor with transaction authorization based on the token being found to exist in the token log".

- Step 4: Financial institution previously checked the account database (ADB) (in step M2) and does not check a Token Log populated by the Buyer. Accordingly, McCoy fails to teach the limitation recited in independent claims 1, 3, 5, 31, 40, and 42 that require that the “authorizing institution’s computing device provides the vendor with transaction authorization based on the token being ***found to exist in the token log***”.
- Step 5: Financial institution does not provide the Vendor with authorization, as appropriate, since the Vendor can verify the token validity independently ([0067] and FIG. 5B step 80). Accordingly, McCoy fails to teach the limitation recited in independent claims 1, 3, 5, 31, 40, and 42 that require that the “authorizing institution’s computing device provides ***the vendor*** with transaction authorization”.

Further, it is clear that the “spent coin” database is different from the claimed Token Log (TAL) in various ways [0067]:

- The “spent coin” database is populated by the Financial institution (“payment agent”), not by the Buyer (“client agent”). In contrast, claims 1, 3, 31, 40, 41, and 42 recite “***an account holder*** creating and associating a plurality of tokens with a financial account by recording the plurality of tokens in an electronic token log”.
- The “spent coin” database is not populated until after the transaction has been authorized (Figure B step M8). In contrast, the claimed Token Log is populated before a transaction is initiated (Figure A step 1), as recited in claims 1 and 40, which require “the account holder initiating a transaction involving the financial

account by providing one of the tokens *previously* recorded in the electronic token log".

- The "spent coin" database is checked (Figure B step M6) after the user's account balance has already been decreased (Figure B step M2). In contrast, the claimed Token Log is checked (Figure A step 4) before a transaction is authorized (Figure A step 5), as recited in claims 1, 3, 5, 31, 40, 41, and 42, which require that "the vendor is to provide the token, the indication of the account, and information about the transaction to the computing device of the authorizing institution, which authorizing institution's computing device provides the vendor with transaction authorization ***based on the token being found to exist in the token log***".

Because McCoy does not disclose each and every limitation of any of the pending claims, McCoy does not anticipate or render obvious claims 1-28 and 31-43.

Conclusion

For at least the reasons set forth above, independent claims 1, 3, 5, 31, and 40-42 are patentably distinct over the prior art of record. All other claims are dependent upon one of the foregoing claims and are therefore patentably distinct for at least the same reasons. A Notice of Allowance is respectfully requested.

Respectfully submitted,

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